

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF MISSISSIPPI**

**IN RE: ADAM & MOLLYE LEE  
DEBTORS**

**CASE NO: 20-11694  
CHAPTER 7**

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**JOINT APPLICATION TO APPROVE COMPROMISE**

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**COMES NOW** the Chapter 7 Trustee and files this Joint Application to Approve Compromise pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and states as follows:

1. Debtors filed this case on April 30, 2020, by filing a Chapter 7 Voluntary Petition and Schedules with this Court.
2. The undersigned was appointed as the Chapter 7 Case Trustee for this case.
3. Debtors' original Schedule A/B debtor states they owned two bank account. One account was a checking account with Regions Bank and the other a checking account with Oxford University Credit Union. Debtors listed the balance in these accounts on the day of filing as \$100.00 and \$150.00, respectively.
4. Upon review of the bank account statements the Trustee discovered a balance of \$11,461.02 was actually in the account on the day the case was filed.
5. After discussion with debtors and their counsel it was determined that a payment in the amount of \$6,234.40 had been initiated prior to the filing of the case but the funds had not cleared out of the account when the case was actually filed.
6. Other uncertainties are also present including issues of comingling of

funds and tracing of funds to exempt sources.

7. Instead of the Trustee hiring counsel for the estate to litigate these issues the debtors and the Trustee have reached a settlement where debtors will voluntarily turn over \$5,226.62 to the bankruptcy estate.

8. The parties arrived at this amount by subtracting the amount debtors paid to their mortgage company of \$6,234.40 from the total balance of \$11,461.02.

9. The Trustee and the debtors believe this settlement is fair and equitable as required by Federal Rule of Bankruptcy Procedure 9019.

10. Debtors join in this application as evidenced by the signature of debtors' attorney below.

**WHEREFORE**, the Trustee prays that, after considering the above circumstances and any further testimony at a hearing, this Court grant this Application to Compromise Controversy allowing the Trustee to abandon the estate's interest in the bank account in exchange for the payment of \$5,226.62 to the bankruptcy estate.

**RESPECTFULLY** submitted, this the 24<sup>th</sup> day of August 2020.

/s/William L. Fava  
WILLIAM L. FAVA (MSB# 101348)  
Chapter 7 Trustee

P.O. Box 783  
Southaven, MS 38671  
(662) 536-1116

AGREED TO BY:

/s/Charles Julian  
Charles Julian (MSB # 101685)  
Attorney for Debtors

**CERTIFICATE OF SERVICE**

I, William L. Fava, Chapter 7 Trustee, do hereby certify that I have this day mailed a true and correct copy of the above Joint Application to Compromise Controversy to the following:

U.S. Trustee  
Via ECF at [USTPRegion05.AB.ECF@usdoj.gov](mailto:USTPRegion05.AB.ECF@usdoj.gov)

All parties on the attached matrix

DATED: August 24, 2020

\_\_\_\_\_/s/William L. Fava\_\_\_\_\_  
WILLIAM L. FAVA  
Chapter 7 Trustee

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